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POLITICAL

Constitutional Convention (UNCLASSIFIED)

Several Nigerian papers have carried without attribution the statement that a decision has been made to hold next year's Constitutional Conference in London. Government has neither denied nor confirmed the press report.

The Federal Government has announced that the three Regional Governments as well as the Government of the Southern Cameroons have accepted Governor General ROBERTSON's invitation to meet in Lagos on January 5, 1956, for preliminary discussions concerning organizational matters in connection with the constitutional conference. The respective Regional Governments will be represented by their Governors, Premiers, and one or two Ministers. Since the Southern Cameroons has no Governor or Premier, the Commissioner, accompanied by a member of the Executive Council, will attend. Discussions at the meeting will cover the date and place of the conference, the selection of and composition of the delegations, and financial arrangements. It was specifically stated in the federal announcement that the meeting will not be concerned with the August conference agenda nor will it discuss substantive constitutional matters.

Since the refusal of the Northern Regional Premier the SARDAUNA of Sokoto to accept the suggestion that the Regional Premiers meet preliminarily to discuss constitutional questions (see D-68, page 1), neither Premier AWOLOWO nor Premier AZIKIWE has offered to participate in a preliminary conference. It is rumored, however, that Zik will propose the holding of a "big four" meeting in a policy speech which he is scheduled to make at Enugu on December 23.

Meetings of Regional Legislatures (UNCLASSIFIED)

Regional Legislatures in the East, West and the Southern Cameroons held short meetings during the reporting period. Little controversial legislation was introduced.

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West The Western House of Assembly, with only one dissenting vote passed a motion introduced by Premier Awolowo praying that the Queen grant full self-government to Western Nigeria in 1956 on all matters within the competence of the Regional Government. In his speech moving the motion, Awolowo emphasized that the self-government proposals "do not in any way impede and prejudice the exercise by the Federal Government of its functions, and do not in any way make the continuing of federation impossible". He stated that the Colonial Secretary should now prepare the necessary instruments to effect regional self-rule, such instruments to be placed before the 1956 constitutional conference. Supporting the preliminary motion, Dennis C. OSADEBAY, Leader of the NCNC Opposition in the Western House, stated that the question of self-government was one on which both the government and the opposition were in agreement.

Prior to its adjournment, the Western House also approved a £15 million 5-year development plan presented by the Premier in the form of a White Paper. The Premier stated that the plan contained the essential features and was in continuation of the 1951 - 1955 development scheme. The House also turned down the Opposition's motion to establish a commission of inquiry into bribery and corruption in the Western Region and to increase the price received by cocoa farmers in the region.

During the session, the Premier replied to an Opposition question as to whether general elections in the Western Region would take place before or after the Constitutional Conference. Awolowo said that as of the moment neither he nor any member of the Western Government could tell when the election would be held but that all concerned would be given sufficient notice. He noted that it was a democractic practice for a Government to call for elections at a time favorable to it but said that his "testing of the political weather" had not yet revealed an opportune time for dissolving the House.

East

The meeting of the Eastern House is still in progress but has been completely overshadowed by the political furor created by the Ikpeazu bribery commission (see D-76, page 3) and a meeting of the NCNC Regional Parliamentary Committee. Zik presided over the parliamentary conference which was featured by bitter complaints on the part of the NCNC "Back Benchers" against Minister of Finance Mbonu OJIKE and other ranking members of the NCNC Executive.

In a move which has been rumored for the past few months, E.O. EYO has been removed from his position as Deputy Speaker of the Eastern House although he will continue to hold the post of Government Chief Whip and Chairman of the Eastern Regional Development Corporation. To replace Eyo as Deputy Speaker, the House unanimously

elected Chief Nyong ESSIEN, NCNC member for Uyo Division.

Southern Cameroons

The most important legislation passed by the Southern Cameroons House of Assembly was a Bill which transferred the bulk of executive power in the Southern Cameroons from the Governor General of the Federation to the Commissioner of the Cameroons. Under the new arrangement, the Executive of the Quasi-federal trust territory will have substantially the same powers as are exercised by the Governors of the three Regions. The Assembly also enacted a Bill establishing a Southern Cameroons Marketing Board and legislation setting up a High Court for the territory.

Queen Notes West's Request for Benin-Delta State (UNCLASSIFIED)

During the meeting of the Western Regional House of Assembly, its Speaker, Mr. R. A. DOHERTY, informed the House that Her Majesty had transmitted to the House the fact that she had noted its wish that the question of a separate Benin-Delta State be included on the agenda of the 1956 constitutional conference. The resolution had been passed during the August meeting of the Western House.

NEPU President Flies to U.K. (UNCLASSIFIED)

The much-delayed visit of a delegation of the Northern Region's opposition party, the Northern Elements Progressive Union (NEPU), to the U.K. to petition for electoral reform in the Northern Region has finally materialized. On his departure from Kano on December 10, Mallam Aminu KANO, NEPU President General, stated that the object of his trip was "to place the case of the NEPU before the British public".

Meanwhile, in the South, NEPU emphasized its ties with the NCNC when Mallam HUSAINI, Secretary of the Ibadan NEPU branch urged NEPU supporters in the West to support the NCNC in the forthcoming Western Regional elections.

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ECONOMIC

Federation of British Industries Discourages Investments in Nigeria (UNCLASSIFIED)

The Federation of British Industries whose mission visited Nigeria early this year has issued a report in which caution was advised in making investments in Nigeria and the Gold Coast. The reason for this advice was given as uncertainty as to the future status of these two colonies.

The report counselled that large capital investment or plant erection should not be embarked upon until current political uncertainties have been resolved. Referring to the imminent self government of Nigeria and the possible disappearance of British control and the retirement of many British officials, the report states that while this will not necessarily lead to chaos, administration will undoubtedly deteriorate to a serious extent and "corruption will abound".

Newspapers in Lagos have given a great deal of publicity to these remarks of the Federation of British Industries and have strongly denounced the assertion which they describe as a slur on the reliability and integrity of Nigerians in general. To give weight to their contention, they have quoted London newspapers which have disagreed with the FBI report particularly the News Chronicle and the London Evening Standard.

COMMENT (OFFICIAL USE ONLY)

From a purely political point of view the report was undoubtedly tactless and ill-timed. This is particularly true coming as it does a short time before the Queen plans to make a visit to Nigeria -- a visit which is expected to boost goodwill and strengthen the ties between the two countries. From an objective viewpoint, however, there is considerably more than a grain of truth and wisdom in the Federation of British Industry's advice. While it is now considered highly unlikely that Nigeria will gain independence even within the commonwealth in 1956, British influence is undoubtedly on the wane as Nigerians are taking over an increasingly active part in their government. In spite of the fact that there is an enormous amount of untapped wealth in Nigeria, any firm planning a large investment would do well to make a thorough investigation of all possibilities of Nigeria's future status before risking its stockholder's money in any large scale capital investment in this country. Experience has shown that left to themselves an inordinately large number of Nigerian government officials and private business houses have little conception of the British or American standards of modern business ethics.

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Expenses of Federal Government in Connection With Queen's Visit (UNCLASSIFIED)

It has been announced that over £300,000 (nearly $1,000,000) will be spent by the Federal Government in connection with the Queen's visit to Nigeria early in 1956. This amount will include banquets and various entertainments for the Royal party as well as decorations, special trains and miscellaneous extra expenses.

The Finance Committee of the Western Government has already approved a supplementary expenditure of £100,000 for the royal visit. Arrangements have been made for the establishment of a special press restaurant in the Western Secretariat to cater for newspapermen at a cost of £5,000. An Austin "Princess" limousine and a Rolls Royce will be secured at a cost of £4,500. Decorations for street and public buildings will cost some £12,000, and £2,000 will be expended on invitation cards and other special printing. The erection of public stands will cost £3,000 and the display of fireworks £750. A sub-generating station has been installed at Government House, which together with floodlighting and colored lights will cost £2,750. School children from the provinces will be transported to Ibadan at a cost of £2,000. A number of special committees have been set up to take charge of all arrangements.

Nigerian Government to Attempt to Eliminate Malaria (UNCLASSIFIED)

Sir James ROBERTSON, Governor General of Nigeria, has stated that the current aim of the government is not merely to control malaria but to eradicate it. The statement was made in connection with the second international conference on malaria organized by the World Health Organization. Sir James spoke of the great efforts being made in Nigeria with the generous assistance of WHO and the UN children's fund to eliminate or control community diseases. According to available statistics fifty thousand children die annually of malaria in Nigeria.

Sir James assured the fifty-four delegates attending the WHO conference in Lagos that the Federal Government of Nigeria has determined to intensify plans for a nation-wide malaria control, the aim of which is to eradicate the disease within a reasonable period.

Dr. CAMBOURNAC, Regional Chairman of WHO, told the conference that malaria was one of the most, if not the most important health problem in Africa. Of about 130,000,000 people living in Africa, he said, some 115,000,000 are living in malaria epidemic areas, and of this number only 20,000,000 were protected against malaria.

Cocoa Development In Southern Cameroons (UNCLASSIFIED)

The Rev. J. C. KANGSEN, Executive Member of the Southern Cameroons Government, has completed negotiation for the acquisition of land for a cocoa plantation. The land will be acquired by Messrs Cadbury and Fry, Chocolate manufacturers who propose to establish a cocoa estate in the territory. Mr. Kangsen acted as agent conducting negotiations for acquisition of the site for the estate.

Search For Oil In The North (UNCLASSIFIED)

Geologists of the Socony-Vacuum Oil Exploration Company will arrive in Nigeria in January to begin a search for oil in the Northern Region. The company, which is a subsidiary of Mobil Oil Company of Nigeria Limited was recently granted an exploration licence.

LABOR

Hanbury Federal Wage Awards (UNCLASSIFIED)

Although the majority of the Federal employees have accepted the arbitrator's wage rates for Federal daily paid employees (see D-76, page 7), scattered labor groups in the Northern and Eastern Regions have "rejected" the awards. In a petition to the Federal Government, workers in the Northern mining town of Jos termed the award of two shillings and eight pence per day "grossly unfair and inequitable", especially when Federal workers in the Northern centers of Zaria and Kano were rated at three shillings and six pence per day.

COMMENT (UNCLASSIFIED

There has been no publicity as to whether the All-Nigeria Trade Union Federation (ANTUF) has determined to "accept" the awards. Apparently ANTUF has concluded that there is little to gain in actively opposing the awards.

Nigerian Labor Party (UNCLASSIFIED)

In a recent labor meeting held under the auspices of the Domestic Workers' Union, M.A.O. IMOUDU, President of ANTUF and head of the Railway Workers' Union, declared that the imminent creation of a Labor Party will register "the voice of the struggling working class in the political arena of Nigeria".

COMMENT (OFFICIAL USE ONLY)

One of the resolutions passed at the November annual conference of ANTUF held last month was the establishment of a Labor Party. Primarily the brain child of ANTUF President M.A.O. Imoudu, the proposed Labor Party has not yet been organized, nor is it likely to be until financial support has been obtained.

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EDUCATION

Building of Federal Free Schools in Lagos (UNCLASSIFIED)

Building for the Federal Government's free education for Lagos will begin next February. The plans for the buildings are now complete, and include both bungalow types and two storey buildings. The Federal Government has provided an initial sum of £145,000 for the building of the free primary schools in Lagos.

The purpose of the new school expenditure is to implement the establishment by the Government of free compulsory education in Lagos. This educational program will be in three stages. The first state involves the provision of primary schools for all children of school age. Existing schools are to be expanded and new ones to be constructed as necessary. The second stage is slated to begin in January 1957 when fees will be abolished in all grant-aided schools. At a later date schools will be established for retarded and handicapped children. The Government has started a Lagos Day Training College to supply teachers for the scheme.

Preparations are being made by the Lagos Town Council for the employment of an Education Officer to take charge of the Office of Education which will be opened next year.

Herbert T. Krueger
American Consul

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The current round ends November 14. The U.S. will propose that the date for the next round be set later through diplomatic channels.

Middle East Peace Process. A program of negotiations has been laid out over the next couple of months, beginning with trilateral meetings on November 17 to prepare for a summit sometime early in the new year. The Egyptians have already conveyed to us a strong desire for assurances from the President-elect that he intends to continue on course with the Camp David process and specifically to hold the summit in 1981. Both the Egyptians and the Israelis will be putting these negotiations on hold while waiting for signals indicating the direction of the President-elect's policies. If we want to keep up the momentum of the negotiating process it will be important for the Reagan forces to get word to both parties that they support serious negotiations during the transition period.

Global Negotiations. Current informal discussion on a new round of Global Negotiations on North/South economic issues will give way to formal negotiations on November 17. If agreement can be reached on procedures that protect the specialized agencies and a neutral agenda, the U.S. will join others in agreeing to Global Negotiations early next year.

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OAS General Assembly (November 19-26). Most OAS Foreign Ministers will be in Washington for informal discussion and formal debate on regional concerns. Many will seek contacts with representatives of the incoming Administration.

Visit of FRG Chancellor Schmidt and Foreign Minister Genscher (November 19-20). We will discuss improved management of U.S.-FRG relations and cooperation on shared regional/global concerns. The Chancellor has indicated that he would like to meet with the President-elect.

EC Statement on Mideast. The EC Summit may issue a statement outlining a peace process at their December 1-2 meeting. We have been acting to convince the Europeans not to take actions that would hamper the Middle East peace process.

IEA. IEA Oil Ministers will meet December 8-9 to focus on responses to the continued oil shortfall caused by the Iraq-Iran war. Measures could include negotiation of oil import ceilings or activation of the emergency sharing system. (The IEA Governing Board meets in advance November 21.)

NATO Ministerials (Defense Policy Committee and North Atlantic Council, December 9-12). We will stress

the need for strong allied defense efforts and a common approach to crises outside Europe.

MBFR Negotiations. Negotiators in Vienna normally set a tentative resumption date at the end of each round. The current round ends just before Christmas; we will propose that the date for the next round also be set later through diplomatic channels.

Greek Defense Agreement. We will begin negotiation of a new defense agreement with Greece, and it may be possible to conclude it before the end of 1980.

Namibia. We are at a critical stage in the UN negotiations with the South Africans over independence for Namibia. The SAG may now decide to stall, in the hope that the incoming Administration will be less supportive of the UN plan. Delay could lead to renewed violence in Namibia and across the borders of the Front Line states. The SAG should be informed that we will continue to place high priority on implementation of the UN plan, as do our European allies.

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CATEGORY III
Decisions for Outgoing Administration
(Listed chronologically)

A. Policy

Japanese Automobiles. The TTC decision is expected on November 10. If injury is found, we will probably have to develop a policy response, although delay past January 20 is a possibility.

Micronesia. We initialed a Compact of Free Association with the Governments of the Federated States of Micronesia and Marshall Islands on October 31. The Government of Palau is committed to initial the Compact by November 13. The Micronesian Governments have agreed, in principle, to deny future military access to third countries, a provision considered essential to Congressional approval of the Compact. The specific terms of strategic denial, along with a number of other subsidiary agreements, are to be negotiated prior to signing of the Compact. The Micronesian Governments are extremely anxious to conclude these negotiations in order for the Compact to be submitted to you for review and signature prior to January 20.

Rice for Korea. Korea had a bad rice crop and must import 2.4 million tons or risk political instability. We must decide soon whether to permit an exception to the US-Japan rice agreement to enable Japan to ship substantial quantities of subsidized rice to Korea. U.S. rice exporters want to limit such Japanese sales but the Koreans are buying all available US rice from California and some from the Gulf States. Rice growers in Arkansas and

Louisiana would like to sell more but we expect them to go along reluctantly with a USG decision favoring an exception.

Dresser Drill Bit. In mid-November, you may be asked to continue, or to revoke, suspension of the export license for remaining exports for the Dresser drill bit plant in the USSR. A decision to revoke suspension may signal to our Allies and the Soviets a change in US sanctions policy toward the USSR.

PL-480 for Egypt. Under the present continuing resolution, and because the price of wheat is rapidly rising, there is not enough in the FY-81 budget to meet our past year's level of 1.5 million tons of wheat for Egypt without cutting deeply into the other countries' allocations. We will need a decision by early December whether we should commit ourselves to maintaining the 1.5 million ton level which will require cuts in other PL-480 programs or to sign an agreement with the Egyptians for a lesser amount now (1.1 million tons) with no asurances that we will be able to make up the difference without additional funds from Congress.

Sale of Boeing Civil Aircraft to Iraq. By December 15, a decision will be required for or against granting licenses to Boeing for the export of five civil aircraft

to Iraq (2 747-s and 3 727-s). By that date Boeing must have agreement to the licenses for all five aircraft or Iraq will cancel their sales contract.

Sverdlovsk BW Incident. To avoid loss of momentum, we could authorize an effort this autumn to convene a meeting of parties to the BW Convention to place the international spotlight on Sverdlovsk, and to develop a means to deal with future incidents.

Nuclear Exports. Two Swiss requests to retransfer US-origin fuel to the UK and France for reprocessing have been pending for about nine months, and one request to sell plutonium from US-origin fuel for use in France's Super-Phoenix demonstration breeder reactor has been pending over a year. Action has been held up pending a Swiss response to our demarches to them about exports by Swiss firms to Pakistan's unsafeguarded enrichment and reprocessing programs. The Swiss have provided what we consider a constructive response and you will soon be asked to approve the Swiss requests.

B. Budget

Foreign Assistance Legislation.

Aid authorization. This was midway in conference when the Congress recessed in October. We should seek resumption and completion of the conference as early as

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possible in the special session. The authorization is particularly important because it contains a new FMS financing formula which would permit funding of FY-81 levels, including Israel and Egypt, even in the absence of FY-81 appropriations. Unless the House leadership can obtain assurances from Republicans not to attack the FY-81 foreign aid appropriations bill on the House floor, we should not press for this legislation in the special session. Even in the unlikely event of House passage, we would risk a filibuster when it passed to the Senate.

IDA. Authorization legislation for US participation in the 6th replenishment of IDA was approved by the Senate and is awaiting final House floor action. We should press for House passage of IDA VI early enough in the special session to permit time for conference action and final passage by both Houses.

El Salvador. We should decide whether to supply urgently needed but controversial military equipment and possibly increase aid to the Junta to help cope with the worsening economic situation.

Aid to Jamaica. A concessional assistance package of about $45 million is desirable as a U.S. contribution to help prevent the collapse of Jamaica's economy. A

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decision is necessary on whether to seek a supplemental or to reprogram hard-pressed funds from development aid, economic support funds and PL 480.

FY 1982 Resources. We will need to decide the overall level and mix of programs for the international affairs budget. This decision will include the option of providing a significant increase in foreign affairs programs in order to reassert US political, economic and security interests in the Third World. In addition, decisions will have to be made on whether to include a $100 ESF program for Pakistan; and the level of FMS finance to support for Israel.

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